

Message Text

UNCLASSIFIED

PAGE 01 TAIPEI 07209 021017Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 /021 W
-----030812 021959Z /47
R 020905Z DEC 77
FM AMEMBASSY TAIPEI
TO USDOC WASHDC
INFO SECSTATE WASHDC 5695

UNCLAS TAIPEI 7209

E.O. 11652: N/A
TAGS: BEXP, TW
SUBJECT: REQUEST FOR INFORMATION ON PRIVATE LENDING

REF : (A) USDOC 22439 (B) TAIPEI 6865 (C) USDOC 20941

1. ACCORDING TO MONETARY AFFAIRS UNIT OF MINISTRY OF FINANCE, THERE IS NO EXPLICIT GOVERNMENT REGULATION ON INCOMING FOREIGN LOANS THAT ARE DISCOUNTED (PER REFTEL A). PRIVATE BORROWER IN TAIWAN WOULD HAVE TO SUBMIT APPLICATION FOR FOREIGN EXCHANGE ALLOCATION TO CENTRAL BANK OF CHINA FOR APPROVAL, IN WHICH CONNECTION WOULD HAVE TO SHOW ORIGINAL LOAN AGREEMENT. CENTRAL BANK COULD THEN EITHER APPROVE OR DISAPPROVE.

2. EXPERIENCED EXECUTIVE OF AMERICAN BRANCH BANK IN TAIWAN EXPRESSED OPINION THAT DISCOUNTED LOANS (IN HYPOTHETICAL SITUATION) WOULD ALMOST NEVER BE APPROVED, BECAUSE OF TAX EVASION IMPLICATIONS. INTEREST PAYMENTS ON FOREIGN LOANS ARE SUBJECT TO WITHHOLDING TAX. HE QUESTIONED WHY AMERICAN LENDER COULD NOT JUST RAISE THE INTEREST RATE AND FORGET ABOUT THE DISCOUNT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Legacy Key: link1977/newtext/t19771297/aaaadeyg.tel
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Litigation Codes:
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Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d4b2d70c-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: 77 TAIPEI 6865
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Feb-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 373627
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR INFORMATION ON PRIVATE LENDING
TAGS: BEXP, TW
To: COM
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Review Markings:
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